

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



April 19, 2013

GA2012-21

Bret Lane, Senior Vice President
Southern California Gas Company
Gas Operations and System Integrity
555 W. Fifth Street, GT21C3
Los Angeles, CA 90013

SUBJECT: General Order 112-E Audit of the Southern California Gas Company's and San Diego Gas & Electric Company's Public Awareness Program.

Dear Mr. Lane:

The staff of Safety and Enforcement Division (SED), formerly called the Consumer Protection and Safety Division, of the California Public Utilities Commission conducted a General Order (G.O) 112-E audit of Southern California Gas Company's (SoCalGas) and San Diego Gas & Electric (SDG&E) Company's Public Awareness Program (PAP) on December 14-16, 2011, January 31, 2012 and February 1, 2012. Herein, the two companies will be referred to collectively as Sempra Utilities.

During the audit, SED used the Pipeline and Hazardous Materials Safety Administration Public Awareness Program Effectiveness Inspection Form (Form 21) as a reference guideline to conduct the audit. SED staff did not find any probable violations. However, staff observed several issues and made recommendations. Please review the attached document "Sempra Utilities PAP Audit Observation Summary" which contains the findings of our audit as related to the protocols provided in Form 21. Please provide a written response within 30 days of your receipt of this letter indicating measures taken by Sempra Utilities to address the recommendations and issues noted.

If you have any questions, please call Matthewson Epuna at (213) 576-7014 or Michelle Wong at (213) 620-2780

Sincerely,

A handwritten signature in cursive script that reads "Michael Robertson".

Michael Robertson, Program Manager
Gas Safety and Reliability Branch
Safety and Enforcement Division

cc: Michelle Wong, SED/GSRB

Sempra Utilities PAP Audit Observations Summary
December 14-16, 2011 and January 31, 2012

A. Audit Observations Identified in Protocol 1.02, Management Support, Reference Title 49 Code of Federal Regulations (CFR) §192.616 (a).

Protocol 1.02 states:

"Does the operator's program include a statement of management support (i.e., is there evidence of a commitment of participation, resources, and allocation of funding)?"

Sempra Utilities reviews and updates its Public Awareness Program (PAP) Plan annually. However, the tracking mechanism for all changes to the PAP Plan does not appear to have a process for documenting or summarizing all the official changes from the previous version to the latest version. SED recommends that Sempra Utilities outline a mechanism for tracking and documenting all substantive changes to the PAP Plan including changes of signatories.

B. Audit Observations Identified in Protocol 1.03, Unique Attributes and Characteristics, Reference Title 49 CFR §192.616(b)

Protocol 1.03 states:

"Does the operator's program clearly define the specific pipeline assets or systems covered in the program and assess the unique attributes and characteristics of the pipeline and facilities?"

Title 49 CFR §192.616 (b) requires:

"The operator's program must follow the general program recommendations of API RP 1162 and assess the unique attributes and characteristics of the operator's pipeline facilities."

Sempra Utilities defined its assets and products transported in its pipelines and storage facilities in its PAP with the exception of the Liquefied Natural Gas (LNG) facilities it owns and operates in Borrego Springs. Although 49 CFR Part 192 does not address LNG, the operator is still required to assess the unique attributes and characteristics of its pipeline facilities and incorporate information about any other products transported or attached to its pipeline facilities other than natural gas. Therefore, Sempra Utilities should incorporate in its PAP the LNG facilities in Borrego Springs as other products in its assets.

C. Audit Observations Identified in Protocol 1.04, Stakeholder Audience Identification
Reference Title 49 CFR §192.616 (d), (e), and (f)

Protocol 1.04 states:

“Does the operator’s program establish methods to identify the individual stakeholders in the four affected stakeholder audience groups: (1) affected public, (2) emergency officials, (3) local public officials, and (4) excavators, as well as affected municipalities, school districts, businesses, and residents?”

Title 49 CFR §192.616 (f) requires:

“The program and the media used must be as comprehensive as necessary to reach all areas in which the operator transports gas.”

Sempra Utilities PAP Plan has adequate methods to identify the individual stakeholders in the four affected stakeholder audience groups. However, SED recommends that Sempra Utilities establish a verification process that its vendors are not missing identification of any stakeholder group and to validate the vendors measurement of the percentage of stakeholders reached.

D. Audit Observations Identified in Protocol 2.01, English and other Languages, Reference
Title 49 CFR §192.616 (g)

Protocol 2.01 states:

“Did the operator develop and deliver materials and messages in English and in other languages commonly understood by a significant number and concentration of non-English speaking populations in the operator’s areas?”

Title 49 CFR §192.616 (g) requires:

“The program must be conducted in English and in other languages commonly understood by a significant number and concentration of the non-English speaking population in the operator’s area.”

Sempra Utilities developed and delivered materials and messages in other languages to non-English speaking populations in its service territories. Sempra Utilities uses the data gathered from the American Community Survey and U.S. Census, and 1% of its service territory population threshold that do not, or minimally, speak English as its methodology to determine the need to communicate in other languages. However, this methodology is not included in its PAP Plan. SED recommends that Sempra Utilities incorporate into its PAP Plan this methodology to determine what languages it needs to communicate to stakeholder audiences.

E. Audit Observations Identified in Protocol 2.02, Message Type and Content, Reference Title 49 CFR §192.616 (d) and (f)

Protocol 2.02 states:

“Did the messages the operator delivered specifically include provisions to educate the public, emergency officials, local public officials, and excavators on the

- Use of a one-call notification system prior to excavation and other damage prevention activities;*
- Possible hazards associated with unintended releases from a gas, hazardous liquid, or carbon dioxide pipeline facility;*
- Physical indications of a possible release;*
- Steps to be taken for public safety in the event of a gas, hazardous liquid, or carbon dioxide pipeline release; and*
- Procedures to report such an event (to the operator)?”*

Title 49 CFR §192.616 (f) requires:

“The program and the media used must be as comprehensive as necessary to reach all areas in which the operator transports gas.”

Sempra Utilities has a messaging process for emergency officials and public officials during major construction events. SED recommends that Sempra Utilities continue to monitor and evaluate the process it uses to address return and undelivered mailings that target different stakeholder audiences and include the specific information in the Pipeline Association for Public Awareness (PAPA) documentation if these are baseline messages and not supplemental. Sempra Utilities should also send targeted mailings to online billed customers if it is unable to measure the percentage of its online billed customers that read the online bill message in its entirety, as a means to increase awareness to these customers. At the same time, Sempra Utilities should implement a process to verify that the emergency responders are receiving all the information from PAPA and they know which company to call during an emergency.

F. Audit Observations Identified in Protocol 2.03, Message on Pipeline Facilities Locations, Reference Title 49 CFR §192.616 (e) and (f)

Protocol 2.03 states:

“Did the operator develop and deliver messages to advise affected municipalities, school districts, businesses, and residents of pipeline facility location?”

Title 49 CFR §192.616 (e) requires:

“The program must include activities to advise affected municipalities, school districts, businesses, and residents of pipeline facilities locations.”

Sempra Utilities delivers messages to the affected entities noted in Title 49 CFR §192.616(e). Some of these entities have master-metered or yard gas pipeline systems that may not be properly maintained. SED recommends that Sempra Utilities evaluate the

extent of this problem and at the very least incorporate targeted messages to the schools with this problem and the actions it should take to prevent a gas incident.

G. Audit Observations Identified in Protocol 2.04, Baseline Message Delivery Frequency, Reference Title 49 CFR §192.616 (c)

Protocol 2.04 states:

“Did the operator’s delivery for materials and messages meet or exceed the baseline frequencies specified in API RP 1162, Table 2-1 through Table 2.3? If not, did the operator provide justification in its program or procedural manual?”

Damages due to excavation are the biggest threat to Sempra Utilities gas pipeline facilities. SED recommends that Sempra Utilities improve its PAP Plan to include supplemental direct mailings or any other effective communication medium to excavators that have caused the most excavation damages within the top five counties out of the 13 counties where excavation damage occurs in its pipeline territory. Sempra Utilities should expand this effort to track the mailings and analyze the effectiveness of its messaging to excavators in these top five counties and make changes accordingly when a county is removed or added to the top five ranking.

H. Audit Observations Identified in Protocol 2.06, Maintaining Liaison with Emergency Response Officials, Reference Title 49 CFR §192.616 (c)

Protocol 2.06 states:

“Did the operator establish and maintain liaison with appropriate fire, police, and other public officials to: learn the responsibility and resources of each government organization that may respond, acquaint the officials with the operator’s ability in responding to a pipeline emergency, identify the types of pipeline emergencies of which the operator notifies the officials, and plan how the operator and other officials can engage in mutual assistance to minimize hazards to life or property?”

Title 49 CFR §192.616 (c) requires:

“The operator must follow the general program recommendations, including baseline and supplemental requirements of API RP 1162, unless the operator provides justification in its program or procedural manual as to why compliance with all or certain provisions of the recommended practice is not practicable and not necessary for safety.”

SED recommends that Sempra Utilities clearly define the responsible positions or persons who will contact emergency responders in the event of an incident/emergency that meets certain criterion. Also, Sempra Utilities should define and formalize roles for individuals that will respond to major emergencies. In addition, Sempra Utilities should complete its Incident Command Center system and determine the appropriate and applicable information from its Emergency Response (ER) Plan to share with Emergency Responders and ensure it is easily assessable. Sempra should also review elected official

ER lists to ensure there is adequate contact information to reach out to each Emergency Official stakeholder audience.

I. Audit Observations Identified in Protocol 3.01 Measuring Program Implementation
Reference Title 49 CFR Part 192, §§192.616 (c) and 192.616 (i)

Protocol 3.01 states:

“Has the operator performed an audit or review of its program implementation annually since it was developed? If not, did the operator provide valid justification for not using one of these methods?”

Title 49 CFR §192.616 (c) requires:

“The operator must follow the general program recommendations, including baseline and supplemental requirements of API RP 1162, unless the operator provides justification in its program or procedural manual as to why compliance with all or certain provisions of the recommended practice is not practicable and not necessary for safety.”

SED recommends that Sempra Utilities clearly define who is responsible to initiate “Program Evaluation and Continuous Improvement (Annual Audits). In addition, Sempra Utilities should track and document all necessary evidence to demonstrate performance of Annual Audits and implementation of changes that the Annual Audits revealed.

J. Audit Observations Identified in Protocol 3.02, Acceptable Methods for Program
Implementation Audits, Reference Title 49 CFR §192.616 (c)

Protocol 3.02 states:

“Did the operator use one or more of the three acceptable methods (i.e. internal assessment, 3rd part contractor review, or regulatory inspections) to complete the annual audit or review of its program implementation. If not, did the operator provide justification in its program or procedural manual?”

Sempra Utilities conducted the Annual Audits and the Effectiveness Evaluation review in accordance with regulation. Although the Annual Audits and Effectiveness Evaluation reviews were in compliance, Sempra Utilities PAP Plan did not have sufficient detail on the process for conducting/analyzing the results of the recommendations arising from the audits and reviews, and how it will address the recommendations. SED recommends that Sempra Utilities expand Section 8 (Program Evaluation) of its PAP Plan to include specifics on the responsibilities of the individuals and a detail process of how they will be implemented.

K. Audit Observations Identified in Protocol 4.01, Evaluating Program Effectiveness,
Reference Title 49 CFR §192.616 (c)

Protocol 4.01 states:

“Did the operator perform an effectiveness evaluation of its program (or no more than 4 years following the effective date of program implementation) to assess its program effectiveness in all areas along all systems covered by its program? If not, did the operator provide justification in its program or procedural manual?”

Sempra Utilities conducted the Annual Audits and the Effectiveness Evaluation reviews in accordance with the regulation. Although the Annual Audits and Effectiveness Evaluation review were in compliance, Sempra Utilities PAP Plan did not have sufficient detail on the process for conducting/analyzing the results of the recommendations arising from the audits and reviews and how it will address the recommendations. SED recommends that Sempra Utilities expand Section 8 (Program Evaluation) of its PAP Plan to include specifics on the responsibilities of the individuals and a detail process of how they will be implemented.

SED recommend that the PAP Plan include trending of effectiveness surveys after the first effectiveness evaluation cycle, track and trend 3rd party incidents that include near misses, and consequences (failures that cause release of gas and others that do not result in failures such as scratches, dents and etc.) for transmission and distribution pipelines.